

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in Compliance with D.N.J. LBR 9004-1(b)	
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In re: BLOCKFI INC., <i>et al.</i> , Debtors. ¹	Chapter 11 Case No. 22-19361 (MBK) (Jointly Administered under a Confirmed Plan ²)

**WIND-DOWN DEBTORS' OMNIBUS REPLY TO GRADDON
RESPONSES TO AMENDED ELEVENTH OMNIBUS OBJECTION TO
CERTAIN CLAIMS**

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965) and BlockFi Lending II LLC (0154). The location of the Debtors' service address is 100 Horizon Center Blvd., 1st and 2nd Floors, Hamilton, NJ 08691.

² On October 3, 2023, the Court entered an order confirming the Third Amended Joint Chapter 11 Plan of BlockFi Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code (Additional Technical Modifications) (the "Plan") [Docket No. 1609].

TO: THE HONORABLE CHIEF JUDGE MICHAEL B. KAPLAN UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY

BlockFi Inc. and its debtor affiliates (collectively, “BlockFi” or the “Wind-Down Debtors”), as managed by the Plan Administrator in the above-referenced Chapter 11 cases (the “Chapter 11 Cases”), hereby file this *Wind-Down Debtors’ Reply to Graddon Responses to Debtors’ Amended Eleventh Omnibus Objection to Certain Claims* (the “Reply”) to the Certifications filed by *pro se* creditor Brian Graddon filed in connection with the *Debtors’ Amended Eleventh Omnibus Objection To Certain Claims* [Docket No. 1450]. In support of the Reply, the Wind-Down Debtors respectfully represent as follows:

Factual Background

1. On September 6, 2023, the Debtors filed the *Amended Eleventh Omnibus Objection to Certain Claims* (the “Claim Objection”). The Claim Objections included the proofs of claim filed by *pro se* creditor Brian Graddon (“Mr. Graddon”) and assigned claim nos. 23497, 18945, and 29265.

2. The chart below summarizes the proofs of claim as filed by Mr. Graddon (the “Graddon Claims”)³:

Date Filed	Claim Number	Debtor Entity	Amount
3/30/2023	18945	BlockFi Lending	\$1,829,872.76 67.61 BTC
3/30/2023	23497	BlockFi Inc.	\$225,151.75 8.315192514 BTC 100.00 GUSD
3/30/2023	29265	BlockFi Wallet LLC	\$225,151.75 8.315192514 BTC 100.00 GUSD

³ Mr. Graddon did not file a response regarding claim no. 29265, which the Wind-Down Debtors seek to expunge.

3. The chart below summarizes the proposed treatment of the Graddon Claims in the Claim Objection:

Claim Number	Corrected Debtor Entity	Surviving Claim Amount	Action
18945	BlockFi Lending	\$1,095,708.00	Modify
23497	BlockFi Lending	\$135,158.80	Modify
29265	N/A	N/A	Expunge

4. Per the Claims Procedures Order [Docket No. 609], the deadline to file Responses to Claim Objections is 7 days before the hearing. The original hearing date for the Claim Objection was October 10, 2023. Mr. Graddon did not file a Response before or on October 3, 2023. The Claim Objection was thereafter adjourned to November 6, 2023. Mr. Graddon did not file a response before or on October 30, 2023.

5. On October 31, 2023, Mr. Graddon filed a *Certification in Reply to Debtors' Objection to Claim #18945* [Docket. No. 1823] and *Certification in Reply to Debtors' Objection to Claim #23497* [Docket. No. 1822] (the "Graddon Responses"). The Graddon Responses are untimely.

6. In the Graddon Responses, Mr. Graddon appears to take issue with the dollarization of his claims, asserting that his claims are in bitcoin. Graddon Responses at 2.

Reply

7. The Confirmed Plan provides that "[a]s is required by Section 502(b) of the Bankruptcy Code, each Account Holder's Claim is determined by the fair market value of the Digital Assets (based in [USD] pursuant to the Digital Assets Conversion Table) held by the

Account Holder at the Debtors as of the Petition Date at 11.59 p.m. UTC.” Plan Art. VI § F. *See* 11 U.S.C. §§ 502(b) (“the court...shall determine the amount of such claim in lawful currency of the United States as of the date of the filing of the petition”). As such, the Wind-Down Debtors have objected to the Graddon Claims in order to modify them to match the fair market value of the Digital Assets that comprise Mr. Graddon’s claims against BlockFi Lending LLC as per the terms of the confirmed Plan.

WHEREFORE, the Wind-Down Debtors respectfully request entry of the Revised Proposed Order on the Debtors’ Amended Eleventh Omnibus Objection to Certain Claims, to be submitted to the Court after the November 6, 2023 hearing.

Respectfully submitted,

Dated: November 3, 2023

/s/ Daniel M. Stolz

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